

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of)	CEASE AND DESIST ORDER,
Low Priced Stock Wealth, David)	NOTICE OF CIVIL PENALTY, AND
Johnson, and their Officers, Directors,)	NOTICE OF RIGHT TO
Agents and Employees)	REQUEST A HEARING
Respondent.)	

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO LOW PRICED STOCK WEALTH, DAVID JOHNSON, AND THEIR OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES.

The Securities Commissioner has a reasonable basis to believe that the Respondent has engaged in, is engaging in, or is about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondent.

1. The Respondents have sought or received consideration from one or more resident of North Dakota for advising such North Dakota resident as to the value of securities. The analysis or reports regarding the value of securities and advisability of the purchase or sale of such securities is an advisory service as that term is used in §10-04-10.1.
2. In a solicitation for advisory services, respondents stated, in bold print, that a specific stock valued at \$1.66 per share "will soon be \$144.00 . . . turning every \$1,000 you invest into \$87,000.00!"
3. In a solicitation for advisory services, respondents stated that their speculative trading program "is much safer than regular stocks" and that "[t]he low priced stock market is the surest and safest way to make big money fast!"
4. Respondents described Low Priced Stock Wealth as a "No-Risk, No-Fail way to make big money fast!" Respondents guaranteed that an investor "will make more money with Low Priced Stock Wealth than with any other money-making system." Respondents further stated that, "I guarantee . . . [that] the big profit stocks I find and recommend will make you richer that you can even imagine now!"

5. The above information demonstrates that Respondents have engaged in conduct which would operate as a fraud or deceit on North Dakota residents. Respondents have further engaged in unethical and deceptive practices in violation of §10-04-10.1(1) N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to §10-04-16 N.D.C.C., that the Respondent immediately shall **CEASE AND DESIST**:

1. From offering for sale or selling investment advisory services, in any form, except as permitted under North Dakota law.
2. From making any untrue, fraudulent or deceitful statements in the offer and/or sale of investment advisory services.
3. From engaging in any scheme or artifice to defraud residents of North Dakota, or otherwise engaging in a fraudulent or deceptive act while offering for sale or selling investment advisory services in North Dakota or to North Dakota residents.

YOU ARE NOTIFIED that any willful violation of this order is a **Class B Felony** pursuant to §10-04-18(1) N.D.C.C. Pursuant to §12.1-32-01 N.D.C.C., a **Class B Felony** is punishable by a \$10,000 fine and 10 years' imprisonment.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §10-04-16(1) N.D.C.C. The Securities Commissioner does not herein assess civil penalties, but expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to §10-04-12 N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN TEN (10) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondent has the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 20th day of January, 1999.



Syver Vinje
North Dakota Securities Commissioner
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

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Johnson, and their Officers, Directors,)
Agents, and Employees,)
Respondents.)

AFFIDAVIT OF MAILING

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I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On this 20th day of January, 1999, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

**CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY,
AND NOTICE OF RIGHT TO REQUEST A HEARING**

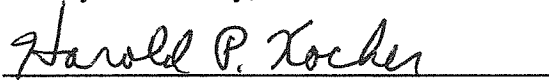
A copy of the above document was securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

David Johnson
Low Priced Stock Wealth
5196 Benito Street, Suite 16
Montclair, CA 91763

To the best of my knowledge, information, and belief, the address given above is the actual mailing address for the party intended to be served or of the attorney representing that party.


Jacqui Ferderer

Subscribed and sworn to before me this 20th day of January, 1999.


Harold P. Kocher, Notary Public
Burleigh County, North Dakota
My commission expires 04/26/2002